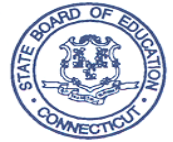




STATE OF CONNECTICUT
DEPARTMENT OF EDUCATION



TO: Sponsors of the National School Lunch and Breakfast Programs

FROM: John Frassinelli, Chief
Bureau of Health/Nutrition, Family Services and Adult Education

DATE: March 9, 2015

SUBJECT: **Operational Memorandum #14-15**
Updated E-Rate Guidance for Schools Electing the Community Eligibility
Provision (CEP)

This memorandum notifies local program operators of recently updated rules issued by the Federal Communications Commission (FCC) regarding the calculation of discount rates under the E-Rate program for schools electing the Community Eligibility Provision (CEP).

Background

The Universal Service Program for Schools and Libraries (E-Rate) makes telecommunications and information services more affordable for eligible schools and libraries by providing discounted telecommunications, Internet access, internal connections, basic maintenance of internal connections, and managed internal broadband services. Traditionally, school districts have calculated E-Rate discount rates based on each school's percentage of free and reduced price certified students under the school meal programs.

However, individual schools or any combination of schools electing the CEP do not make individual determinations of eligibility for free or reduced price meal benefits. To remedy any confusion regarding schools' eligibility for E-Rate discounts, the FCC published interim guidance on July 31, 2012, directing CEP schools to use data from the most recent funding year (defined as the period from July 1 to June 30 of the following year) that individual free and reduced price certifications were made.¹

In July 2014, the FCC adopted new rules for the E-rate program, including rules specifying how school districts with CEP schools should calculate their discount rates beginning in School Year 2015-16.

No Applicability in School Year 2014-15

The FCC's updated rules for schools electing the CEP will not go into effect until school year 2015-16 (E-Rate funding year 2015). It is important to note that there is no impact on the current school year 2014-15, for which E-Rate discounts have already been calculated under the FCC's previous interim guidance.

¹ FCC interim guidance on E-Rate for CEP schools: <http://www.fcc.gov/document/universal-service-administrative-company-3>

Updated Guidance

On July 23, 2014, the FCC released updated E-Rate rules for calculating E-Rate discounts and included guidance for schools electing the CEP. The FCC's new guidance will supersede the July 2012 interim guidance beginning in school year 2015-16/E-Rate funding year 2015. The new rules require school districts to determine the E-Rate discount for the entire district, rather than for individual schools, by dividing the number of students eligible for free and reduced-price meals in the district by the district's total enrollment. Schools electing the CEP will use their Identified Student Percentage (ISP) multiplied by the CEP multiplier (currently 1.6) for the purposes of determining the number of free and reduced-price eligible students. This is the same formula that schools electing the CEP use to calculate meal claiming percentages. Consistent with the school meal programs, student eligibility may not exceed 100 percent for any purposes related to E-Rate.

E-Rate discounts remain valid for the entire four year CEP cycle. As such, if a school's ISP decreases in subsequent years, the school may continue to use the original percentage for the remainder of the four-year eligibility period. However, if the ISP increases during that same timeframe, the school may choose to apply the higher percentage for E-Rate purposes. Any time a school electing the CEP begins a new four year cycle or chooses to apply a new meal claiming percentage, the school district must also re-calculate its student eligibility for E-Rate and use that data in the next funding year.

Adjustments to the CEP Multiplier

The FCC requires school districts with schools electing the CEP that apply for E-Rate discounts to use the same multiplier employed by the United States Department of Agriculture (USDA) to calculate meal claiming percentages under the CEP. In the event that the Food and Nutrition Service changes the multiplier in the future, the FCC will require schools electing the CEP to use the same multiplier under the E-Rate program for determining their discount percentage as required by the USDA for reimbursement under the CEP. The USDA is permitted to change the CEP multiplier to a number between 1.3 and 1.6, but has no plans to do so at this time. Furthermore, any such change would be communicated in advance of implementation through the *Federal Register*, and would not immediately impact schools in the middle of a four year cycle.

Further Information

The FCC's published E-Rate rules and guidance of July 23, 2014, on procedures for schools electing the CEP may be accessed at the following URL: https://apps.fcc.gov/edocs_public/attachmatch/FCC-14-99A1.pdf. For reference, please refer to paragraphs 225-229.

School Food Authorities or local educational agencies with questions concerning this guidance may contact Allison Calhoun-White at 860-807-2008 or Allison.calhoun-white@ct.gov.

Questions may be directed to:

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Important: This is a numbered Operational Memorandum that contains important program information. Please read carefully and retain in a binder for your future reference. Operational Memoranda are posted on the Child Nutrition Web site at <http://www.sde.ct.gov/sde/cwp/view.asp?a=2626&q=320676>.